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## JOINT SECURITIES EXCHANGE ANNOUNCEMENT & MEDIA RELEASE

24 September 2007

### GINDALBIE AND SUNDANCE ANNOUNCE PROPOSED MERGER TO CREATE A SIGNIFICANT NEW IRON ORE GROUP

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Iron ore companies Gindalbie Metals Ltd (ASX: GBG – “Gindalbie”) and Sundance Resources Limited (ASX: SDL – “Sundance”) today announced that they have reached agreement to merge to create a substantial A\$2.4 billion international iron ore company. The companies have executed a Merger Implementation Agreement (“MIA”) to effect the merger by way of a Scheme of Arrangement (“Scheme”) under which Gindalbie will make offers to acquire all of the issued securities in Sundance.

The proposed merger will result in the establishment of a major independent Australian-based iron ore company with a diversified asset base comprising world-class iron ore projects in Western Australia and West Africa, a very significant production growth profile and a global presence.

#### Details of the Agreement and Offer

Under the terms of the proposed Scheme of Arrangement, Sundance shareholders will receive **one (1)** Gindalbie share for every **two (2)** Sundance shares they hold. Based on the closing price of Gindalbie shares on 21 September 2007 of \$1.70, the offer values Sundance at approximately A\$1.6 billion and represents a premium of 14.9% on the closing price of Sundance shares on 21 September 2007 of 74 cents, and a 34.5% premium to the 30-day volume weighted average price (VWAP) of Sundance shares.

On completion of the merger, the new entity would have approximately 1.43 billion shares on issue with an estimated market capitalization of approximately A\$2.4 billion based on the closing price of Gindalbie shares on 21 September of \$1.70. Gindalbie securityholders would hold approximately 35% and Sundance securityholders approximately 65% of the merged company.

After careful consideration of the possible structures, an offer by Gindalbie for all of Sundance’s issued securities by way of a Scheme was determined to be the most beneficial to securityholders of both companies.

Mr Denis Wood representing Sundance’s largest shareholder, Talbot Group Holdings (holding 19.9% of Sundance), has expressed the strong support of Talbot Group Holdings for the proposed merger and the successful completion of the respective Boards due diligence procedures.

Mr George Jones, who is the Chairman and a shareholder of both Gindalbie and Sundance, has also expressed his full support for the transaction. Commenting on the merger proposal, Mr Jones said: *“The proposed merger provides both groups of securityholders with the opportunity to participate in the creation of a new international mining house with a pipeline of world-class projects.”*

Because he is Chairman of both companies, Mr Jones excluded himself from each of the Board deliberations in relation to the proposed transaction. The Boards of both companies have implemented appropriate protocols relating to Mr Jones’ participation in Board and management discussions.

The Independent Directors of Sundance unanimously recommend that, in the absence of a superior proposal, all securityholders support the Scheme, on the basis of receipt of an Independent Expert's Report concluding that the Scheme is in the best interests of Sundance securityholders. Sundance Board members intend to vote in favour of the proposal in relation to their personal securityholdings in Sundance.

The Scheme is subject to conditions including:

- satisfactory completion of detailed due diligence by the Boards of both companies;
- approval being received from the securityholders of Sundance and court approvals;
- all relevant regulatory approvals; and
- other conditions customary for a public transaction of this nature.

The parties have agreed that, unless the MIA is terminated, neither Gindalbie nor Sundance will solicit any competing proposal or participate in any discussions or negotiations in relation to any competing proposal (unless failure to do so would involve a breach of the fiduciary duties of its Directors). The parties have agreed to the payment of a break-free of A\$15 million by Sundance, equivalent to approximately 1% of the equity value of Sundance, which can be triggered by a number of events as set out in the MIA. The MIA is attached at Appendix A.

Gindalbie is being advised on the transaction by Azure Capital as financial advisor and Clayton Utz as legal advisor, while Sundance is being advised by Capital Investment Partners as financial advisor and Blakiston & Crabb as legal advisor.

### **The Combined Group**

The combined Gindalbie/Sundance group will have a market capitalization estimated at A\$2.4 billion, a strong balance sheet with cash reserves of approximately \$126 million (net of transaction costs), no debt, and a substantial asset base comprising a magnetite Resource (Indicated and Inferred) of 1.43 billion tonnes at 36.3% Fe, a magnetite Reserve (Probable) of 497 million tonnes at 36.3% Fe, and a hematite Resource (Indicated and Inferred) of 27.1 million tonnes at 61.7% Fe. The Mbalam Project in Cameroon contains substantial additional hematite mineralisation grading > 60% Fe which is currently the subject of pre-feasibility study.

The Company will have world-class development projects located in Western Australia's Mid West region and the Republic of Cameroon, West Africa, with key assets including:

- a 90% interest in the Mbalam Iron Ore Project in Cameroon, which is currently subject to a pre-feasibility study and major resource drilling program aiming to establish a large-scale direct shipping ore hematite project;
- a 50% interest in the Karara Magnetite Project (in joint venture with leading Chinese iron ore and steel group Ansteel) in Western Australia's Mid West region, which is scheduled to commence production in 2010 at an initial rate of 8Mtpa of magnetite concentrate, including a Joint Venture Pellet Plant to be located in north-eastern China;
- a 50% interest in the Mungada Hematite Project (also in joint venture with Ansteel) in Western Australia's Mid West region, which is scheduled to commence production in 2009 at an initial rate of 2Mtpa of direct shipping ore;
- extensive and high-quality exploration prospects within Exploration Permit No. 92 in Cameroon, comprising a 937km<sup>2</sup> area within which more than 35km of prospective iron formation has been outlined; and
- extensive and high-quality exploration holdings in Western Australia's Mid West region, including a tenement portfolio covering 1,900km<sup>2</sup> within which numerous priority hematite and magnetite exploration targets have been defined.

The merged entity expects to become a substantial iron ore developer/producer on a world-scale, with a potential combined production level of more than 60 Mtpa of hematite, magnetite concentrate and blast furnace quality pellets by the middle of the next decade.

## Rationale and Benefits

The Directors of Gindalbie and Sundance believe that the merger, if successful, has the potential to unlock significant synergies and a greatly increased range of growth opportunities. The merger would bring together two companies with a common philosophy, a strong investor base of international and Australian securityholders, quality joint venture partners, highly credentialed management teams and strong growth vision. Key benefits of the merger include:

- diversification of product and future earnings streams, with exposure to a range of iron products;
- staged delivery of world-class hematite and magnetite production;
- increased market capitalization, placing the new company in line to be included in the benchmark S&P ASX 200 index, attracting an increased level of Australian and international institutional and investor interest;
- exposure to a range of iron ore markets (Asia and Europe) and therefore a more diversified customer base;
- the ability to leverage the complementary experience, technical skills and marketing expertise of the respective management teams of the two companies;
- diversification of development and geographic risk;
- strong cash reserves of approximately \$126 million (net of transaction costs);
- improved ability to access capital markets and raise both debt and equity finance; and
- enhanced ability to attract and retain highly skilled staff by accessing a global talent pool.

## Board and Management Structure

Because of the scale of the projects being pursued by both Companies, it is envisaged that both existing management and operational teams will remain in place and continue their focus on the development of the respective assets during the merger process, with the combined team to be expanded as the projects are developed.

The composition of the Board of the merged company is yet to be finalised, however it is envisaged that Mr George Jones, who has extensive international experience in the iron ore sector, will be appointed as Chairman of the merged entity, with both Mr Garret Dixon (Managing Director Gindalbie) and Mr Don Lewis (Managing Director Sundance) being nominated to the Board. The composition of the rest of the Board will be determined based on the skills and qualifications of the various candidates.

## Indicative Timetable

Securityholders of Sundance will be asked to approve the Scheme of Arrangement at meetings which are expected to be held by February 2008. Full particulars of the Scheme, transaction terms and recommendations will be provided to securityholders through an Explanatory Booklet which will include an Independent Expert's Report in relation to the offer. It is expected that this booklet will be mailed to securityholders in December 2007.

Gindalbie and Sundance securityholders are not required to take any action at this stage in relation to the Scheme of Arrangement.

## Management Comments

Commenting on the merger proposal, Gindalbie's Managing Director, Mr Garret Dixon, said: *"This represents a unique opportunity to bring together two companies pursuing the development of world-class iron ore projects in different parts of the world. Gindalbie's world-class Karara Magnetite Project in WA, for which we recently signed a Joint Venture Development Agreement, complements the large-scale Mbalam hematite project being explored and developed by Sundance in Cameroon.*

*"The combined entity will be able to leverage off the benefits of creating a larger group with the depth of expertise and skills, funding ability, scale of operation and market capitalization to make a significant impact in the global iron ore industry,"* Mr Dixon added. *"In addition, we see the opportunity to unlock many synergies in the development of our respective projects, which will ultimately benefit both projects. The recent successful completion of Bankable Feasibility Studies for our Karara and Mungada Projects now provides a strong platform upon which we can pursue corporate opportunities like Sundance."*

Sundance's Managing Director, Mr Don Lewis, said: *"The proposed merger has the potential to deliver significant benefits to securityholders in both companies, giving them exposure to a merged company which would be a significant player on the international stage and which would have a world-class resource and asset base spanning two exciting, rapidly emerging iron ore provinces.*

*“Sundance’s Mbalam Project is located within a growing, new iron ore province in West Africa, while Gindalbie controls a significant and high-quality asset base in the Mid West iron ore province of Western Australia,” Mr Lewis added. “Gindalbie’s strong production growth profile has the potential to complement and significantly enhance Sundance’s development strategy with Gindalbie’s hematite and magnetite projects scheduled to commence production in 2009 and 2010 respectively. This will provide a staged production growth profile for the merged group ahead of the proposed start-up of the Mbalam Project in 2011.”*

**ENDS**

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**Competent Person Compliance Statements**

*The information in the report that relates to the Karara Magnetite Mineral Resource is based on information compiled by Alex Virisheff, who is a Member of The Australasian Institute of Mining and Metallurgy. Alex Virisheff is employed by RSG Global.*

*Alex Virisheff has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Mineral Resources and Reserves”. Alex Virisheff consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.*

*The information in the report that relates to the Mungada Hematite Mineral Resource is based on information compiled by Felicity Hughes and Andrew Munckton who are Members of the Australasian Institute of Mining and Metallurgy. Andrew Munckton is employed by Gindalbie Metals Ltd. Felicity Hughes is an independent Geological Consultant.*

*Felicity Hughes and Andrew Munckton have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the “Australasian Code for Reporting of Mineral Resources and Reserves”. Felicity Hughes and Andrew Munckton consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.*

## OTHER INFORMATION

### About Gindalbie Metals Ltd

Listed on the Australian Securities Exchange since 1994, Gindalbie Metals Ltd is an emerging Australian iron ore company based in Perth, Western Australia. Gindalbie is developing a strategic portfolio of high-quality production and exploration assets located some 225km east of the port of Geraldton which will underpin its vision to become a leading independent supplier of iron ore products to world markets over the next decade.

The initial focus of Gindalbie's growth strategy is the Mungada Hematite and Karara Magnetite Projects, however its longer term growth will be propelled by the exploration and development of its extensive 1,900 sq km tenement portfolio in the Mid West region, which includes numerous prospective magnetite and hematite exploration targets expected to deliver a long-term pipeline of growth opportunities.

Gindalbie recently completed positive Bankable Feasibility Studies on both projects and signed a Joint Venture Development Agreement with its 50% joint venture partner, Chinese steel and iron ore group Ansteel, to proceed with their development. The Karara Magnetite Project is scheduled to commence production at an initial rate of 8Mtpa of high-grade magnetite concentrate in 2010, based on the large-scale Karara magnetite resource (currently 1.43 billion tonnes at 36.3% Fe). The Mungada Hematite Project is scheduled to commence shipments at an initial rate of 2Mtpa in the first quarter of 2009, based on an initial resource of 27.1 million tonnes at 61.7% Fe.

### About Sundance Resources Ltd

Sundance Resources Ltd is an Australian company focused on mining interests in the Republic of Cameroon, on the central west coast of Africa. Sundance has commenced a pre-feasibility study on its 90%-owned **Mbalam Iron Ore Project** in Cameroon as the basis for a substantial international iron ore business.

Central West Africa is considered to have the potential to develop into a significant new iron ore province, underpinned by the Mbalam Iron Ore Project and nearby US\$3 billion Belinga Project in Gabon, currently under development by the China National Machinery and Equipment Import and Export Corporation.

The Mbalam Iron Ore Project is estimated to contain iron mineralisation in excess of 800 million tonnes, including 218 million tonnes hematite grading +60% Fe within the Mbarga and Metzimevin Prospects. Aeromagnetic survey work by Sundance has identified more than 35km of prospective iron formation in the Mbalam region, underpinning Sundance's commitment to the project.

WA-based Sundance has been listed on the Australian Securities Exchange since 1993 and is also listed on over-the-counter markets in Frankfurt, Berlin, Hamburg, Stuttgart and Munich.

**Appendix A – Merger Implementation Agreement**

CLAYTON UTZ

## Merger Implementation Agreement

Gindalbie Metals Limited

ABN 24 060 857 614

Sundance Resources Limited

ABN 19 055 719 394

The Clayton Utz contacts for this document are  
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Our reference 60018/15133/80065802

## Table of contents

<b>1.</b>	<b>Definitions and interpretation .....</b>	<b>1</b>
1.1	Definitions .....	1
1.2	Interpretation .....	11
<b>2.</b>	<b>Sundance Scheme .....</b>	<b>12</b>
2.1	Scheme .....	12
2.2	Scheme Consideration .....	12
2.3	No amendments to the Scheme without consent.....	12
<b>3.</b>	<b>Conditions .....</b>	<b>12</b>
3.1	Obligations not binding until Conditions satisfied .....	12
3.2	Conditions .....	13
3.3	Regulatory Approval Conditions .....	14
3.4	Benefit of a Condition .....	14
3.5	Waiver of a Condition .....	15
3.6	Fulfilment of each Condition .....	15
3.7	When a Condition is fulfilled .....	15
3.8	If a Condition is not fulfilled or waived.....	15
<b>4.</b>	<b>Co-operation .....</b>	<b>16</b>
4.1	Scheme Booklet and Court Documents.....	16
4.2	Advertising and Communications .....	16
4.3	Regulatory and contractual approvals .....	16
4.4	Recommended Scheme .....	16
4.5	Conduct of Court proceedings.....	17
<b>5.</b>	<b>Conduct of business before Implementation Date .....</b>	<b>17</b>
5.1	Conduct of business in ordinary course.....	17
<b>6.</b>	<b>Sundance Obligations .....</b>	<b>17</b>
<b>7.</b>	<b>Gindalbie Obligations .....</b>	<b>19</b>
<b>8.</b>	<b>Access to Information .....</b>	<b>20</b>
8.1	Sundance to give access to information .....	20
8.2	Gindalbie to give access to information .....	20
8.3	Sundance and Gindalbie to give information on representations and warranties.....	21
<b>9.</b>	<b>Due diligence .....</b>	<b>21</b>
9.1	Gindalbie Due Diligence Investigations – Sundance Business and assets.....	21
9.2	Sundance Due Diligence Investigations – Gindalbie Business and assets.....	21
9.3	Availability of information .....	21
9.4	Interviews .....	22
<b>10.</b>	<b>No solicitation .....</b>	<b>22</b>
10.1	No solicitation .....	22
10.2	Notification of Takeover Proposal .....	22
<b>11.</b>	<b>Undertaking.....</b>	<b>22</b>

11.1	Undertaking to reimburse fees, costs, losses and expenses.....	22
11.2	Compliance with law.....	23
<b>12.</b>	<b>Directors' duties.....</b>	<b>23</b>
<b>13.</b>	<b>Announcement.....</b>	<b>24</b>
13.1	No Announcement.....	24
13.2	Notice of Announcement .....	24
<b>14.</b>	<b>Termination .....</b>	<b>24</b>
14.1	When a party may terminate.....	24
14.2	Obligations on termination .....	25
<b>15.</b>	<b>Representations and warranties.....</b>	<b>25</b>
15.1	Mutual representations and warranties.....	25
15.2	Sundance representations and warranties.....	26
15.3	Gindalbie representations and warranties.....	27
15.4	Reliance on representations and warranties.....	28
15.5	When warranties are given .....	28
<b>16.</b>	<b>Indemnities.....</b>	<b>29</b>
16.1	Indemnities by Sundance .....	29
16.2	Indemnities by Gindalbie .....	29
<b>17.</b>	<b>Release .....</b>	<b>29</b>
<b>18.</b>	<b>Preparation for conduct of business after Implementation Date .....</b>	<b>29</b>
18.1	Assist with integration.....	29
18.2	Integration committee .....	29
18.3	Role of integration committee .....	29
18.4	Access for purpose of integration .....	30
<b>19.</b>	<b>GST.....</b>	<b>30</b>
19.1	GST payable in addition to consideration for taxable supplies .....	30
19.2	Tax Invoice.....	30
19.3	Consideration exclusive of GST .....	30
<b>20.</b>	<b>Notices.....</b>	<b>30</b>
20.1	How to give a notice .....	30
20.2	When a notice is given .....	30
20.3	Address for notices.....	31
<b>21.</b>	<b>Amendment and Assignment.....</b>	<b>31</b>
21.1	Amendment.....	31
21.2	Assignment .....	31
<b>22.</b>	<b>General .....</b>	<b>31</b>
22.1	Governing law .....	31
22.2	Liability for expenses .....	32
22.3	Giving effect to this document .....	32
22.4	Waiver of rights .....	32
22.5	No partnership or agency .....	32
22.6	Operation of this document.....	32
22.7	Operation of indemnities.....	33
22.8	Consents .....	33

22.9	No merger .....	33
22.10	Inconsistency with other documents .....	33
22.11	Counterparts .....	33
22.12	Attorneys .....	33
<b>Schedule 1 Deed Poll .....</b>		<b>34</b>
<b>Schedule 2 Sundance's Capital.....</b>		<b>39</b>
<b>Schedule 3 Gindalbie's Capital.....</b>		<b>40</b>

## This Merger Implementation Agreement is made on 24 September 2007

### Parties

**Gindalbie Metals Limited ABN 24 060 857 614** of Level 9, 216 St Georges Terrace, Perth, Western Australia ("**Gindalbie**")

**Sundance Resources Limited ABN 19 055 719 394** of Level 34, 2 The Esplanade, Perth, Western Australia ("**Sundance**")

### Recitals

- A. Gindalbie and Sundance are listed on the official list of ASX.
- B. The directors of Gindalbie have resolved to propose to Sundance Shareholders and Sundance Optionholders a restructure of Sundance by way of the Scheme under Part 5.1 of the Corporations Act, the effect of which will be to make Sundance a wholly owned subsidiary of Gindalbie. For this purpose, the Scheme has been proposed.
- C. The parties consider that it is to their respective advantages that the Scheme be implemented and accordingly the parties have agreed to enter into this Agreement to record and confirm the terms and conditions upon which they will co-operate and assist each other to that end.
- D. Implementation of the Scheme is subject to the conditions referred to in clause 3 of this Agreement.

### The parties agree

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## 1. Definitions and interpretation

### 1.1 Definitions

In this Agreement, unless the context otherwise requires, the following words and expressions have meanings as follows:

"**Agreement**" means this document.

"**Announcement**" means a press release, announcement or other public statement other than an explanatory statement or supplementary explanatory statement required by the Corporations Act.

"**ASIC**" means the Australian Securities and Investments Commission.

"**ASX**" means ASX Limited ABN 98 008 624 691 or the stock market operated by it as the context requires.

"**Authorisation**" means:

- (a) an approval, authorisation, consent, declaration, exemption, licence, notarisation, permit or waiver, however it is described, including any renewal or amendment and any condition attaching to it, from or by a Government Agency; and
- (b) in relation to anything that could be prohibited or restricted by law, if a Government Agency acts in any way within a specified period, the expiry of that period without that action being taken.

**"Business Day"** means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth.

**"Claim"** means a claim, action, proceeding or demand made against the person concerned, however it arises and whether it is present or future, fixed or unascertained, actual or contingent.

**"Communications"** has the meaning given in clause 4.2.

**"Condition"** means a condition precedent in clause 3.2.

**"Corporations Act"** means the *Corporations Act 2001* (Cth).

**"Court"** means the Supreme Court of Western Australia or the Federal Court of Australia.

**"Cut-off Date"** means 5.00 pm, 26 October 2007 or such later date as Gindalbie and Sundance agree.

**"Deed Poll"** means a document in substantially the same form of Schedule 1.

**"DSO"** means DSO Ventures Pty Ltd ACN 070 871 877.

**"Effective"** when used in relation to the Scheme, means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under sections 411(4)(b) and 411(6) of the Corporations Act in relation to the Scheme.

**"Effective Date"** means the date on which an office copy of the order of the Court approving the Scheme under section 411(4)(b) of the Corporations Act is lodged with ASIC.

**"First Court Date"** means the first day of the hearing of the Court of an application for an order under section 411(1) of the Corporations Act convening of the Scheme Meetings.

**"Gindalbie Business"** means the business carried on by Gindalbie as at the date of this document.

**"Gindalbie Disclosure Material"** means:

- (a) the Gindalbie Due Diligence Information; and
- (b) information available on the Public Registers on or before the Cut-off Date.

**"Gindalbie Due Diligence Information"** means all written information relating to the business, assets, liabilities, operations, profits and losses, financial position and performance and prospects of Gindalbie provided by Gindalbie to Sundance.

**"Gindalbie Due Diligence Investigations"** means the due diligence investigations conducted by Gindalbie commencing on 24 September 2007 and concluding on 26 October 2007 unless otherwise extended by agreement between Gindalbie and Sundance in relation to the Sundance Business and assets and as referred to in clause 9.1.

**"Gindalbie Material"** means the information provided by Gindalbie to Sundance in accordance with clauses 4.1(b) and 7(b) for inclusion in the Scheme Booklet, other than information (if any) for which Gindalbie disclaims responsibility under clause 6(c).

**"Gindalbie Material Adverse Change"** means a change, effect, occurrence or state of facts (or any development, occurrence or state of facts involving a prospective change) which has had or is likely to have an adverse financial effect on the consolidated net assets of Gindalbie and its subsidiaries of \$50 million or more excluding any impact of merger related costs.

**"Gindalbie Option"** means an option to subscribe for a Gindalbie Share.

**"Gindalbie Prescribed Occurrence"** means, except as required by this Agreement or the Scheme, or as publicly announced by Gindalbie prior to the date of this Agreement, any of the following occurring without the prior written consent of Sundance:

- (a) **(Convert shares):** Gindalbie converts all or any of the Gindalbie Shares into a larger or smaller number of Gindalbie Shares;
- (b) **(Reduce share capital):** Gindalbie or a subsidiary of Gindalbie resolves to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (c) **(Buy-back)** Gindalbie or a subsidiary of Gindalbie may not enter into a buy-back agreement however, Gindalbie is permitted to seek a resolution of Gindalbie Shareholders to approve the terms of a buy-back under section 257C(1) or 257D(1) of the Corporations Act;
- (d) **(Issue shares or options):** Gindalbie or a subsidiary of Gindalbie issues shares or grants options over its shares, or agrees to make such an issue or grant such options, excluding
  - (i) any Gindalbie Shares issued by Gindalbie as a result of the exercise of existing Gindalbie Options or existing securities or other instruments convertible into Gindalbie shares;
  - (ii) any issue of Gindalbie Options which Gindalbie is required to make under the terms of an agreement entered into prior to the date of this agreement; and
  - (iii) any issue of Gindalbie Shares or Gindalbie Options approved or made pursuant to the resolutions to be proposed at the general meeting of Gindalbie Shareholders scheduled to take place on 26 September 2007;
- (e) **(Issue convertible securities):** Gindalbie or a subsidiary of Gindalbie issues, or agrees to issue, securities or other instruments convertible into shares other than to assist in financing the Karara Iron Ore Projects as contemplated by the recently completed bankable feasibility studies;
- (f) **(Declare dividend):** Gindalbie declares any dividend or pays, makes or incurs any liability to pay or make any distribution whether by way of dividend, capital distribution, bonus or other share of its profits or assets;
- (g) **(Create mortgage):** Gindalbie or a subsidiary of Gindalbie creating, or agreeing to create, any mortgage, charge, lien or other encumbrance over the whole or a substantial part of the business or property of Gindalbie other than as a result of financing the Karara Iron Ore Projects as contemplated by the recently completed bankable feasibility studies;
- (h) **(Insolvency Event):** an Insolvency Event occurring in relation to Gindalbie or a subsidiary of Gindalbie;
- (i) **(Change to constitution):** Gindalbie makes any material change or amendment to its constitution;

- (j) **(Litigation)**: proceedings brought against Gindalbie or a subsidiary of Gindalbie which are likely to result in damages or compensation payable by Gindalbie or a subsidiary of Gindalbie that would constitute a Gindalbie Material Adverse Change and which are not recoverable under any insurance arrangements;
- (k) **(Change to accounting practice or policies)**: Gindalbie making any change to its accounting practices or policies, other than to comply with generally accepted Australian accounting standards and any domestically accepted international accounting standards or electing to form a consolidated group for the purposes of the Income Tax Assessment Act 1997 (Cth);
- (l) **(Long term contract)**: Gindalbie or any subsidiary enters into any long term contract or commitment in excess of \$5,000,000 that was not contemplated by the recently completed bankable feasibility studies on the Karara Iron Ore Projects;
- (m) **(General entitlements)**: Gindalbie or any subsidiary of Gindalbie without the consent of Sundance which consent shall not be unreasonably withheld:
  - (i) pays any substantial bonus to, or substantially increases the compensation of, any executive officer, director or employees of Gindalbie or any subsidiary of Gindalbie, other than remuneration adjustments to executives as a consequence of annual performance and remuneration reviews or an annual review of fees for non-executive directors; or
  - (ii) grants to any employee of Gindalbie or any subsidiary of Gindalbie (other than an executive officer or director of Gindalbie) or any subsidiary of Gindalbie any increase of severance or termination pay or superannuation entitlements;
  - (iii) establishes, adopts, enters into or amends in any material respect (including by taking any action to accelerate any rights or benefits due under), any enterprise bargaining agreement, Australian workplace agreement, employee benefit plan or superannuation scheme of Gindalbie or relating to the employees of Gindalbie (other than any executive officer or Director of Gindalbie);
- (n) **(Executive Entitlements)**: Gindalbie grants to any executive officer or director of Gindalbie an increase in severance or termination pay or superannuation entitlements or establishes, adopts, enters into or amends in any material respect (including by taking any action to accelerate any rights or benefits due under) any employee benefit plan or superannuation scheme of Gindalbie or relating to the executive officers or directors of Gindalbie other than as agreed in writing between the parties;
- (o) **(Capital expenditure)**: Gindalbie or any subsidiary of Gindalbie makes capital expenditure in excess of \$3,000,000 that was not contemplated by the recently completed bankable feasibility studies on the Karara Iron Ore Projects;
- (p) **(Acquisitions and Disposals)**: Gindalbie or any subsidiary of Gindalbie:
  - (i) acquires, leases or disposes of;
  - (ii) agrees to acquire, lease or dispose of; or
  - (iii) offers, proposes, announces a bid or tenders for,

any business, assets, entity or undertaking other than in the ordinary course of business, provided that Gindalbie may not without the prior written consent of Sundance take any of the actions described above in the ordinary course of business if taking such action would result in a Gindalbie Material Adverse Change;

- (q) **(Material Contracts):** Gindalbie or any subsidiary of Gindalbie:
- (i) changes the terms of any Material Contract;
  - (ii) pays, discharges or satisfies any claims, liabilities or obligations under any Material Contract other than the payment, discharge or satisfaction consistent with past practice and in accordance with their terms; or
  - (iii) waives any material rights under or waives the benefit of any provisions of any Material Contract,

other than in the ordinary course of business, provided that Gindalbie may not without the prior written consent of Sundance take any of the actions described above in the ordinary course of business if taking such action would result in a Gindalbie Material Adverse Change.

**"Gindalbie Share"** means each fully paid ordinary share in Gindalbie.

**"Gindalbie Shareholder"** means a holder of fully paid ordinary share in Gindalbie.

**"Government Agency"** means a government, government department or a governmental, semi-governmental, administrative, statutory or judicial entity, agency, authority, commission, department, tribunal, or person charged with the administration of a law or agency, whether in Australia, Cameroon or elsewhere, including ASIC, the Takeovers Panel, and any self-regulatory organisation established under statute or by ASX.

**"GST"** means the same as in the GST Law.

**"GST Law"** means the same as "GST law" means in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

**"Implementation"** means the implementation of the Scheme upon it becoming Effective.

**"Implementation Date"** means the third Business Day after the Record Date.

**"Independent Expert's Report"** means the independent expert's report by an expert who is not an associate of Sundance or Gindalbie, stating whether or not in his or her opinion, the Scheme is in the best interests of the Sundance Shareholders and Sundance Optionholders, and setting out his or her reasons for that opinion.

**"Insolvency Event"** means, for a party, being in liquidation or provisional liquidation or under administration, having a controller or analogous person appointed to it or any of its property, being taken under section 459F(1) of the Corporations Act to have failed to comply with a statutory demand, being unable to pay its debts or otherwise insolvent, ceasing to be of full legal capacity or otherwise becoming incapable of managing its own affairs for any reason, becoming an insolvent under administration (as defined in section 9 of the Corporations Act), entering into a compromise or arrangement with, or assignment for the benefit of, any of its Shareholders (other than the Scheme) or creditors or any analogous event.

**"Karara"** means Karara Mining Limited ACN 070 871 831.

**"Karara Iron Ore Projects"** means the Karara Magnetite Project and the Mungada Hematite Project.

**"Karara Magnetite Project"** means the project for the extraction of magnetite from the Karara and DSO mining tenements and for the processing, transport and commercial sale of magnetite concentrate and pellets and associated activities.

**"Listing Rule"** means a listing rule of ASX.

**"Loss"** means a damage, loss, cost, expense or liability incurred by the person concerned, however it arises and whether it is present or future, fixed or unascertained, actual or contingent, but excluding liability for any consequential or indirect losses, economic losses or loss of profits.

**"Material Contracts"** means any contract which is or may reasonably be expected to be material to the assets, liabilities, financial position, profits, losses or operation of the entity which is a party to it.

**"Mungada Hematite Project"** means the project for the extraction of hematite from the Karara and DSO mining tenements and for the processing, transport and commercial sale of such ore and associated activities.

**"Public Registers"** means the records made available for public inspection by ASIC, ASX and any other relevant public registers.

**"Record Date"** means the day which is 2 Business Days after the Effective Date, or any other date agreed by the parties to be the record date to determine entitlements to receive Scheme Consideration.

**"Register"** means the register of Sundance Optionholders and Sundance Shareholders.

**"Regulatory Approvals"** means the consents, approvals, clearances, decisions, determinations or other acts by a Government Agency necessary to effect Implementation, including:

- (a) the conditions set out in clauses 3.2(i) and 3.2(j); and
- (b) all other approvals of a Government Agency, which Sundance and Gindalbie agree are necessary for Implementation.

**"Relevant Date"** means, in relation to a Condition, the date or time specified in this document for its fulfilment or, if no date or time is specified, 8.00 am on the Second Court Date, subject, in either case, to extension under clause 3.8.

**"Scheme"** means a scheme or schemes of arrangement under Part 5.1 between Sundance and the Sundance Shareholders, and between Sundance and the Sundance Optionholders to give effect to the terms of this document and in a form acceptable to Sundance and Gindalbie and includes any alterations or conditions made with the approval or at the discretion of the Court which are consented to by Gindalbie (acting reasonably) and which are acceptable to Sundance (acting reasonably) and as described in clause 2.1.

**"Scheme Booklet"** means the information memorandum in respect of the Scheme to be approved by the Court and dispatched to Sundance Shareholders and Sundance Optionholders, and includes the Scheme, the Deed Poll, an explanatory statement complying with the requirements of the Corporations Act and the Corporations Regulations, the Independent Expert's Report and relevant notices of meeting and proxy forms.

**"Scheme Consideration"** has the meaning given in clause 2.2.

**"Scheme Meetings"** means the meetings of Sundance Shareholders and Sundance Optionholders, to be convened by the Court, to consider the Scheme.

**"Scheme Participants"** means each Sundance Shareholder and Sundance Optionholder, as at 5.00 pm on the Record Date (taking into account registration of all registrable transfers and transmission applications received at Sundance's Shareholder registry by the Record Date).

**"Second Court Date"** means the last day on which the Court hears the application for an order under section 411(4)(b) of the Corporations Act approving the Scheme or, if the application is adjourned or subject to appeal for any reason, the last day on which the adjourned or appealed application is heard.

**"Shares"** means Sundance Shares or Gindalbie Shares, as the context requires.

**"Sundance Business"** means the business carried on by Sundance as at the date of this document.

**"Sundance Disclosure Material"** means:

- (a) the Sundance Due Diligence Information; and
- (b) information available on the Public Registers on or before the Cut-Off Date.

**"Sundance Due Diligence Information"** means all written information relating to the business, assets, liabilities, operations, profits and losses, financial position and performance and prospects of Sundance provided by Sundance to Gindalbie.

**"Sundance Due Diligence Investigations"** means the due diligence investigations conducted by Sundance commencing on 24 September 2007 and concluding on 26 October 2007 unless otherwise extended by agreement between Gindalbie and Sundance in relation to the Gindalbie Business and assets and as referred to in clause 9.2.

**"Sundance Material Adverse Change"** means a change, effect, occurrence or state of facts (or any development, occurrence or state of facts involving a prospective change) which has had or is likely to have an adverse financial effect on the consolidated net assets of Sundance and its subsidiaries of \$50,000,000 or more excluding any impact of merger related costs.

**"Sundance Options"** means an option to subscribe for a Sundance Share.

**"Sundance Optionholder Approval"** means a resolution in favour of the Scheme passed by the required majority of Sundance Optionholders (being for those Sundance Options that are not required to be cancelled) under section 411(4)(a)(ii) of the Corporations Act.

**"Sundance Optionholders"** means each person entered in the Register as a holder of Sundance Options.

**"Sundance Prescribed Occurrence"** means, except as required by this Agreement or the Scheme, or as publicly announced by Sundance prior to the date of this Agreement, any of the following occurring, without the prior written consent of Gindalbie:

- (a) **(Convert shares):** Sundance converts all or any of its Shares into a larger or smaller number of Shares;
- (b) **(Reduce share capital):** Sundance or a subsidiary of Sundance resolves to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;

- (c) **(Buy-back):** Sundance or a subsidiary of Sundance:
  - (i) enters into a buy-back agreement; or
  - (ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) the Corporations Act;
- (d) **(Issue shares or options):** otherwise than as disclosed in writing to Gindalbie prior to the date of this Agreement, Sundance or a subsidiary of Sundance issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option, excluding:
  - (i) any issue or grant contemplated by the Scheme; and
  - (ii) any Sundance Shares issued by Sundance as a result of the exercise of existing Sundance Options or existing securities or other instruments convertible into Sundance shares; and
  - (iii) any issue of Sundance Options which Sundance is required to make under the terms of an agreement entered into prior to the date of this agreement;
- (e) **(Issue convertible securities):** Sundance or a subsidiary of Sundance issues, or agrees to issue, securities or other instruments convertible into shares;
- (f) **(Declare dividend):** Sundance declares any dividend or pays, makes or incurs any liability to pay or make any distribution whether by way of dividend, capital distribution, bonus or other share of its profits or assets;
- (g) **(Create mortgage):** Sundance or a subsidiary of Sundance creating, or agreeing to create, any mortgage, charge, lien or other encumbrance over the whole or a substantial part of the Business or property of Sundance;
- (h) **(Insolvency Event):** an Insolvency Event occurring in relation to Sundance or a subsidiary of Sundance;
- (i) **(Change to constitution):** Sundance makes any material change or amendment to its constitution (excluding any changes relating to the Scheme or as otherwise approved by Gindalbie which approval shall not be unreasonably withheld );
- (j) **(Litigation):** other than as disclosed in writing to each other prior to the date of this Agreement, proceedings brought against Sundance or a subsidiary of Sundance which are likely to result in damages or compensation payable by Sundance or a subsidiary of Sundance which constitutes a Sundance Material Adverse Change and which are not recoverable under any insurance arrangements;
- (k) **(Change to accounting practice or policies):** Sundance making any change to its accounting practices or policies, other than to comply with generally accepted Australian accounting standards and any domestically accepted international accounting standards or electing to form a consolidated group for the purposes of the Income Tax Assessment Act 1997 (Cth);
- (l) **(Long term contract):** Sundance or any subsidiary enters into any long term contract or commitment in excess of \$5,000,000;
- (m) **(General entitlements):** Sundance or any subsidiary of Sundance without the consent of Gindalbie which consent shall not be unreasonably withheld;

- (i) pays any bonus to, or increases the compensation of, any executive officer, director or employees of Sundance or any subsidiary of Sundance, other than cash bonuses or housing allowances to executives as a consequence of performance and remuneration reviews for the financial half-year ending 31 December 2006 or the financial year ending 30 June 2007; or
  - (ii) grants to any employee of Sundance or any subsidiary of Sundance (other than an executive officer or director of Sundance) any increase of severance or termination pay or superannuation entitlements;
  - (iii) establishes, adopts, enters into or amends in any material respect (including by taking any action to accelerate any rights or benefits due under), any enterprise bargaining agreement, Australian workplace agreement, employee benefit plan or superannuation scheme of Sundance or relating to the employees of Sundance (other than any executive officer or Director of Sundance);
- (n) **(Executive Entitlements)**: Sundance grants to any executive officer or director of Sundance an increase in severance or termination pay or superannuation entitlements or establishes, adopts, enters into or amends in any material respect (including by taking any action to accelerate any rights or benefits due under) any employee benefit plan or superannuation scheme of Sundance or relating to the executive officers or directors of Sundance other than as agreed in writing between the parties;
- (o) **(Capital Expenditure)**: Sundance or any subsidiary of Sundance makes capital expenditure in excess of \$3,000,000;
- (p) **(Acquisitions and Disposals)**: Sundance or any subsidiary of Sundance:
- (i) acquires, leases or disposes of;
  - (ii) agrees to acquire, lease or dispose of; or
  - (iii) offers, proposes, announces a bid or tenders for,
- any business, assets, entity or undertaking other than in the ordinary course of business, provided that Sundance may not without the prior written consent of Gindalbie take any of the actions described above in the ordinary course of business if taking such action which would result in a Sundance Material Adverse Change;
- (q) **(Material Contracts)**: Sundance or any subsidiary of Sundance:
- (i) changes the terms of any Material Contract;
  - (ii) pays, discharges or satisfies any claims, liabilities or obligations under any Material Contract other than the payment, discharge or satisfaction consistent with past practice and in accordance with their terms; or
  - (iii) waives any material rights under or waives the benefit of any provisions of any Material Contract,

other than in the ordinary course of business, provided that Sundance may not without the prior written consent of Gindalbie take any of the actions described above in the ordinary course of business if taking such action which would result in a Sundance Material Adverse Change;

**"Sundance Shareholder"** means a holder of a Sundance Share.

**"Sundance Shareholder Approval"** means a resolution in favour of the Scheme passed by the required majority of Sundance Shareholders under section 411(4)(a)(ii) of the Corporations Act.

**"Sundance Share"** means a fully paid ordinary share in Sundance.

**"Sunset Date"** means 31 March 2008, subject to any extension under clause 3.8.

**"Takeovers Panel"** means the Takeovers Panel constituted under the *Australian Securities and Investments Commission Act 2001* (Cth).

**"Takeover Proposal for Gindalbie"** means in relation to Gindalbie and excluding the Scheme:

- (a) any proposal for a takeover bid, scheme of arrangement, capital reconstruction, buy-back, merger, amalgamation, consolidation, purchase of assets or other business combination involving the Gindalbie Business, Gindalbie or any of its subsidiaries; or
- (b) any proposal for the acquisition of an economic interest in all or a substantial part of the Gindalbie Business, Gindalbie or any of its subsidiaries; or
- (c) any proposal which could result in a person who does not already have voting power of 20% in Gindalbie, having voting power of more than 20% in Gindalbie.

**"Takeover Proposal for Sundance"** means, in relation to Sundance and excluding the Scheme:

- (a) any proposal for a takeover bid, scheme of arrangement, capital reconstruction, buy-back, merger, amalgamation, consolidation, purchase of assets or other business combination involving the Sundance Business, Sundance or any of its subsidiaries; or
- (b) any proposal for the acquisition of an economic interest in all or a substantial part of the Sundance Business, Sundance or any of its subsidiaries; or
- (c) any proposal which could result in a person who does not already have voting power of 20% in Sundance, having voting power of more than 20% in Sundance.

**"Third Party Consent"** means any consent, agreement, waiver, licence or approval from or by a party in respect of a contract involving Sundance or a subsidiary, which is agreed by the parties to this document, on or before the date of this document.

**"Third Party Proposal"** means any expression of interest, offer or proposal by any person other than Gindalbie, to:

- (a) acquire (whether directly or indirectly) or become the holder (whether by share purchase, issue of shares, options or convertible notes, scheme, capital reconstruction, purchase of assets, takeover offer or otherwise) of, or otherwise acquire or have an economic interest in all or a substantial part of the Sundance Business, Sundance or any of its subsidiaries;
- (b) acquire control (as determined in accordance with section 50AA of the Corporations Act) of Sundance or any of its subsidiaries;
- (c) otherwise acquire or merge with Sundance (whether by way of joint venture, dual listed company structure or otherwise); or
- (d) enter into any agreement, arrangement or understanding requiring it to abandon, or otherwise fail to proceed with, the Scheme.

## 1.2 Interpretation

In this Agreement:

- (a) headings are for convenience only and do not affect interpretation;
- and unless the context indicates a contrary intention:
- (b) an obligation or liability assumed by, or a right conferred on, 2 or more parties binds or benefits all of them jointly and each of them severally;
  - (c) the expression "**person**" includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
  - (d) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
  - (e) a reference to any document (including this Agreement) is to that document as varied, novated, ratified or replaced from time to time;
  - (f) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
  - (g) words importing the singular include the plural (and vice versa), and words indicating a gender include every other gender;
  - (h) references to parties, clauses, schedules, exhibits or annexures are references to parties, clauses, schedules, exhibits and annexures to or of this Agreement, and a reference to this Agreement includes any schedule, exhibit or annexure to this Agreement;
  - (i) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
  - (j) the word "**includes**" in any form is not a word of limitation;
  - (k) a reference to "**\$**" or "**dollar**" is to Australian currency;
  - (l) references to payments to any party to this Agreement will be construed to include payments to another person upon the direction of such party;
  - (m) all payments to be made under this Agreement must be made by unendorsed bank cheque or other immediately available funds;
  - (n) if any day appointed or specified by this Agreement for the payment of any money or doing of any thing falls on a day which is not a Business Day, the day so appointed or specified shall be deemed to be the next Business Day; and
  - (o) terms defined in the Corporations Act shall bear the defined meaning where used in this Agreement.

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## **2. Sundance Scheme**

### **2.1 Scheme**

Sundance agrees to propose a scheme or schemes of arrangement and implement the Scheme in accordance with Part 5.1 of the Corporations Act, under which all of the Sundance Shares and Sundance Options held by Scheme Participants will be transferred (other than any Sundance Options that are required to be cancelled) to Gindalbie such that Sundance will become a wholly owned subsidiary of Gindalbie and the Scheme Participants will be entitled to receive the Scheme Consideration.

### **2.2 Scheme Consideration**

- (a) Gindalbie covenants in favour of Sundance (or in its own right and separately as trustee for each of the Scheme Participants) to issue the Scheme Consideration to each Scheme Participant in consideration for the transfer of all Sundance Shares and the transfer (or cancellation of any Sundance Options as required) of all the Sundance Options on issue to Scheme Participants to Gindalbie.
- (b) The Scheme Consideration is:
  - (i) 1 new Gindalbie Share for every 2 Sundance Shares held by the Sundance Shareholders on the Record Date, provided that where the total number of Gindalbie Shares to be issued to a Scheme Participant is not a whole number it shall be rounded down to the nearest whole number; and
  - (ii) 1 new Gindalbie Option for every 2 Sundance Options held by the Sundance Optionholders on the Record Date, provided that:
    - A. where the total number of Gindalbie Options to be issued to a Scheme Participant is not a whole number it shall be rounded down to the nearest whole number such number of new Gindalbie Options; and
    - B. the terms of the new Gindalbie Options will be substantially the same as for the existing Sundance Options in material respects, except that the exercise price payable for a Gindalbie Option will be twice the exercise price payable in respect of the 2 Sundance Options exchanged (and, or cancelled as required) for that Gindalbie Option.

### **2.3 No amendments to the Scheme without consent**

Sundance must not consent to any modification of, or amendment to, or the making by the Court of any condition in respect of, the Scheme without the prior consent of Gindalbie, such consent not to be unreasonably withheld.

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## **3. Conditions**

### **3.1 Obligations not binding until Conditions satisfied**

Subject to this clause 3, the parties' obligations to propose and implement the Scheme (as appropriate) are subject to the satisfaction of each of the following Conditions to the extent and in the manner set out in this clause 3.

## 3.2 Conditions

The Conditions are:

- (a) **(Constitutional Amendments)**: Sundance obtaining approval from Sundance Shareholders to all amendments to its constitution necessary to effect this document and the Scheme;
- (b) **(Independent Expert's Report)**: the Independent Expert's Report concludes that the Scheme is in the best interests of Sundance Shareholders and Sundance Optionholders;
- (c) **(Sundance Board recommendation)**: between the date of this document and the date on which the Scheme is approved by the Scheme Participants and subject to:
  - (i) the Sundance Board receiving the Independent Expert's Report which concludes that the Scheme is in the best interests of the Sundance Shareholders and Sundance Optionholders; and
  - (ii) no Takeover Proposal for Sundance is announced or made by a person other than Gindalbie, where the consideration provided or proposed to be provided to Sundance Shareholders and Sundance Optionholders is superior to the Scheme Consideration,  
  
the Sundance Board recommending or not changing or withdrawing its recommendation to Sundance Shareholders and Sundance Optionholders to vote in favour of the Scheme and all resolutions (if any) incidental to the Scheme;
- (d) **(Orders convening Meeting)**: the Court orders the convening of the Scheme Meetings, under section 411(1) of the Corporations Act;
- (e) **(Sundance Shareholder and Optionholder Approval)**: Sundance Shareholder Approval and Sundance Optionholder Approval are obtained;
- (f) **(Court approval of Scheme)**: the Court makes orders under section 411(4)(b) of the Corporations Act approving the Scheme;
- (g) **(Orders lodged with ASIC)**: an office copy of the Court orders approving the Scheme is lodged with ASIC under section 411(4)(b) of the Corporations Act;
- (h) **(ASIC Approval)**: any consent, clearance, decision, determination or other act by ASIC in relation to Gindalbie, Sundance or both necessary to effect Implementation is obtained;
- (i) **(Other Regulatory Approvals)**: any other Regulatory Approvals are obtained;
- (j) **(No restraint adversely affecting Implementation)**: no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of Implementation is in effect at 8.00 am on the Second Court Date;
- (k) **(No Gindalbie Prescribed Occurrence)**: from the date of this document until 8.00 am on the Second Court Date, no Gindalbie Prescribed Occurrence occurs;
- (l) **(No Sundance Prescribed Occurrence)**: from the date of this document until 8.00 am on the Second Court Date, no Sundance Prescribed Occurrence occurs;

- (m) **(Third Party Consents)**: all Third Party Consents are granted or obtained in respect of the Implementation and those consents, agreements, waivers, licences or approvals are not withdrawn, cancelled or revoked;
- (n) **(Gindalbie Due Diligence Investigations)**: Gindalbie completing and being satisfied in its sole and absolute discretion with the Gindalbie Due Diligence Investigations into Sundance in accordance with clause 9.1 and any further technical studies in order to augment its technical and economic understanding of Sundance's Business and assets, as contemplated in clause 9.1 on or by 26 October 2007;
- (o) **(Sundance Due Diligence Investigations)**: Sundance completing and being satisfied in its sole and absolute discretion with the Sundance Due Diligence Investigations into Gindalbie in accordance with clause 9.2 and any further technical studies in order to augment its technical and economic understanding of Gindalbie's Business and assets, as contemplated in clause 9.2 on or by 26 October 2007;
- (p) **(Sundance representations and warranties)**: the representations and warranties of Sundance set out in clause 15.2 being true and correct as at the date of this document and as at 8.00 am on the Second Court Date;
- (q) **(Gindalbie representations and warranties)**: the representations and warranties of Gindalbie set out in clause 15.3 being true and correct as of the date of this document and as at 8.00 am on the Second Court Date;
- (r) **(Gindalbie Material Adverse Change)**: from the date of this document until 8.00 am on the Second Court Date there is no Gindalbie Material Adverse Change;
- (s) **(Sundance Material Adverse Change)**: from the date of this document until 8.00 am on the Second Court Date there is no Sundance Material Adverse Change; and
- (t) **(Optionholder acceptance and ASX waiver)** the acceptance by all of those Sundance Optionholders whose Sundance Options are required to be cancelled of an offer to be made to them by Gindalbie pursuant to clause 7(i) and Sundance obtaining from ASX a waiver of any requirement under ASX Listing Rule 6.23.2 to obtain the approval of the Sundance Shareholders to the cancellation of those Sundance Options, or Sundance Shareholder Approval otherwise being obtained.

### 3.3 Regulatory Approval Conditions

For the purposes of clauses 3.2(h) to 3.2(j) inclusive, where a Regulatory Approval is conditional, it will be regarded as:

- (a) having been obtained if the relevant conditions cannot reasonably be considered to have a material adverse change on the value that each party considered it would derive from Implementation; and
- (b) not having been obtained if the relevant conditions do not satisfy the test in clause 3.3(a).

### 3.4 Benefit of a Condition

The following Conditions are included for the benefit of the following party/parties:

- (a) the Conditions in clauses 3.2(a), 3.2(b), 3.2(d) to 3.2(j) (inclusive) and 3.2(m) , are for the benefit of each party;

- (b) the Conditions in clauses 3.2(k), 3.2(o), 3.2(q) and 3.2(r) are for the benefit of Sundance; and
- (c) the Conditions in clauses 3.2(c), 3.2(l), 3.2(n), 3.2(p) and 3.2(s) are for the benefit of Gindalbie.

### 3.5 Waiver of a Condition

- (a) **(If only one party benefiting, that party only may waive):** If a Condition has been included for the benefit of one party only, only that party may, in its sole and absolute discretion, waive the breach or non satisfaction of the Condition.
- (b) **(If both parties benefiting, both must waive):** If a Condition has been included for the benefit of both parties, the breach or non satisfaction of the Condition may be waived only by the consent of both parties.
- (c) **(Waiver precludes litigation):** If a party waives the breach or non satisfaction of a Condition, that waiver precludes the party from suing another party for any breach of this document that resulted in the breach or non satisfaction of the Condition.

### 3.6 Satisfaction of each Condition

Each party must:

- (a) **(Procure satisfaction of Condition):** use its reasonable endeavours to procure that each Condition is satisfied as soon as practicable after the date of this document. This obligation does not require any party to pay any money (other than nominal amounts) to or for a person from whom a Third Party Consent is sought to secure satisfaction of the Conditions in clause 3.2(m);
- (b) **(Not prevent satisfaction of Condition):** other than for the purposes of clauses 3.2 (n) and (o), not take any action (except as required by law) designed to prevent the Conditions being satisfied, without the prior consent of the other party; and
- (c) **(Promptly notify):** promptly notify the other party of the satisfaction or non satisfaction of a Condition and must keep the other party informed of any material developments of which it becomes aware in relation to a Condition.

### 3.7 When a Condition is satisfied

Subject to clause 3.3, each Condition is deemed to be satisfied on the Relevant Date unless the party for whose benefit the Condition has been included (or, in the case of a Condition included for the benefit of all those parties) gives notice to the other party on or before the Relevant Date of the non satisfaction of the Condition.

### 3.8 If a Condition is not satisfied or waived

If a Condition has not been satisfied or waived by the Relevant Date, or the Effective Date has not occurred by the Sunset Date, the parties:

- (a) may consult in good faith to determine whether the Scheme may proceed by way of alternative means or methods; and
- (b) may agree to extend the Relevant Date or the Sunset Date, or both.

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## **4. Co-operation**

### **4.1 Scheme Booklet and Court Documents**

- (a) Sundance must prepare a draft of the Scheme Booklet (which must include the Scheme, an explanatory statement complying with the requirements of the Corporations Act and notices of meeting and proxy forms), and drafts of all necessary Court documents (including any submissions) and must consult with Gindalbie in relation to all such drafts and make such amendments to such drafts as Gindalbie reasonably requires. Unless otherwise agreed in writing between the parties, Sundance must provide a first draft of the Scheme Booklet to Gindalbie at least 14 days prior to the date the Scheme Booklet is to be lodged with ASX or the ASIC. Sundance must provide a first draft of any Court documents to Gindalbie at least 7 days prior to the date for filing such documents with the Court.
- (b) Gindalbie must supply to Sundance all information about Gindalbie required to be included in the Scheme Booklet and must consent to the inclusion of that information in the Scheme Booklet. Gindalbie must provide such assistance in relation to the draft sections of the Scheme Booklet which relate to Gindalbie as Sundance reasonably requires. Gindalbie is solely responsible for ensuring that insofar as it relates to disclosures in relation to Gindalbie or Gindalbie Shares (but except insofar as it relies on information supplied by Sundance or is modified by Sundance without Gindalbie's consent, such consent not to be unreasonably withheld) the information included with the Scheme Booklet is not misleading or deceptive and there are no material omissions from the Scheme Booklet.

### **4.2 Advertising and Communications**

Each party must consult with the other (in advance, to the extent reasonably practicable) in relation to all advertising and communications (whether written or oral, and whether direct or via agents, consultants or advisers) with any shareholders, Governmental Agency, rating agency or media outlet relating to the Scheme ("**Communications**") and, without limiting the generality of the foregoing, must:

- (a) provide the other party with drafts of any written Communications proposed to be issued and make such amendments thereto as the other party reasonably requires;
- (b) provide copies of all written Communications sent to a shareholder, Governmental Agency, rating agency or media outlet to the other party promptly upon dispatch; and
- (c) ensure all Communications are in accordance with all applicable laws.

### **4.3 Regulatory and contractual approvals**

Each party must co operate with the other party, and provide all assistance, including attending any meetings, which the other party reasonably requires, to obtain all Regulatory Approvals and contractual approvals which are necessary or desirable in connection with the Scheme, including any approvals required from the ASX and ASIC.

### **4.4 Recommended Scheme**

Subject to the receipt of an Independent Expert's Report which concludes the Scheme is in the best interests of the Sundance Shareholders and Sundance Optionholders and subject to there being no bona fide alternative offer which in the view of the management of Sundance is in preference to the Scheme, Sundance will do all within its power to procure its directors to

recommend approval of the Scheme and related resolutions, including in the Scheme Booklet, but nothing in this clause will make Sundance liable if it cannot procure a recommendation for approval of the Scheme or related resolutions.

#### **4.5 Conduct of Court proceedings**

Gindalbie is entitled to separate representation at all Court proceedings affecting the Scheme. Nothing in this Agreement shall be taken to give Sundance any right or power to make undertakings to the Court for or on behalf of Gindalbie.

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### **5. Conduct of business before Implementation Date**

#### **5.1 Conduct of business in ordinary course**

From the date of this document up to and including the Implementation Date:

- (a) **(Sundance business in ordinary course):** Sundance must conduct the Sundance Business in the ordinary course, in substantially the same manner and, to the extent consistent, use reasonable endeavours to:
  - (i) preserve intact its current business organisation;
  - (ii) keep available the services of its current officers and employees;
  - (iii) preserve its relationship with customers, suppliers, licensors, licensees and others having business dealings with it; and
  - (iv) maintain its business and assets, including maintaining at least its current level of insurance; and
  
- (b) **(Gindalbie business in ordinary course):** Gindalbie must conduct the Gindalbie business in the ordinary course, in substantially the same manner and at the same locations as previously conducted and, to the extent consistent, use reasonable endeavours to:
  - (i) preserve intact its current business organisation;
  - (ii) keep available the services of its current officers and employees;
  - (iii) preserve its relationship with customers, suppliers, licensors, licensees and others having business dealings with it; and
  - (iv) maintain its business and assets, including maintaining at least its current level of insurance.

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### **6. Sundance Obligations**

Sundance must execute all documents and do all acts and things necessary for the implementation of the Scheme, as expeditiously as practicable and in particular must:

- (a) **(Commission Report):** commission the preparation of the Independent Expert's Report;
- (b) **(Prepare Scheme Booklet):** prepare a Scheme Booklet in accordance with all applicable law;

- (c) **(Consult with Gindalbie on form of Scheme Booklet):** consult with Gindalbie in good faith in relation to the form and content of the Scheme Booklet, including taking into account Gindalbie's reasonable comments and incorporating the Gindalbie Material, provided that.
  - (i) if after a reasonable period of consultation, the parties are unable to agree on the form or content of the Scheme Booklet, Sundance must make the final determination as to the form and content of the Scheme Booklet; and
  - (ii) if Gindalbie disagrees with the final form and content of the Scheme Booklet, Sundance must include a statement to that effect in the Scheme Booklet and, if it relates to the Gindalbie Material, Sundance must include a statement that Gindalbie takes no responsibility for the relevant form or content;
- (d) **(Prepare Court documents):** prepare all documents necessary for the Court proceedings relating to the Scheme:
  - (i) in accordance with all applicable law; and
  - (ii) in consultation with Gindalbie as to the form and content of the Court documents;
- (e) **(Seek Court order to convene Meeting):** apply to the Court under section 411(1) of the Corporations Act for an order directing Sundance to convene the Scheme Meetings;
- (f) **(Convene Meeting):** convene the Scheme Meetings, in accordance with any order made by the Court under section 411(1) of the Corporations Act;
- (g) **(Register explanatory statement):** take all reasonable measures necessary to cause ASIC to register the explanatory statement relating to the Scheme;
- (h) **(Scheme Booklet):** dispatch a copy of the Scheme Booklet to each Sundance Shareholder and Sundance Optionholder and to all other persons entitled to receive notice of the Scheme Meetings;
- (i) **(Inform shareholders and optionholders of relevant post-Booklet information):** if it becomes aware of information after the date of dispatch of the Scheme Booklet, which is material for disclosure to Sundance Shareholders and Sundance Optionholders in deciding whether to approve the Scheme, inform shareholders of the information in an appropriate and timely manner;
- (j) **(Section 411(17)(b) statement):** if Sundance Shareholder Approval and Sundance Optionholder Approval are obtained, apply to ASIC for the production of a statement under section 411(17)(b) of the Corporations Act in relation to the Scheme;
- (k) **(Apply for Court approval):** subject to satisfaction or waiver of all Conditions apply to the Court for orders approving the Scheme under section 411(4) of the Corporations Act;
- (l) **(Lodge copy of Court orders):** if the Court approves the Scheme under section 411(4) of the Corporations Act, lodge an office copy of the Court orders with ASIC;

- (m) **(Give Gindalbie information on Participants)**: give to Gindalbie details of the names, registered addresses and holdings of Sundance Shares and Sundance Options of every Sundance Shareholder and Sundance Optionholder as shown in the Register as at 5.00 pm on the Record Date, in such form as Gindalbie may reasonably require;
- (n) **(Shareholder disclosures)**: in accordance with section 672A of the Corporations Act, direct those of the Sundance Shareholders and Sundance Optionholders notified to Sundance by Gindalbie (acting reasonably) in writing to make the disclosures required by section 672B of the Corporations Act and provide the resulting information to Gindalbie within 5 days of its receipt;
- (o) **(Determine Participants and entitlements)**: determine who are the Scheme Participants and their entitlements to the Scheme Consideration as at 5.00 pm on the Record Date;
- (p) **(Transfer Sundance Shares)**: if the Scheme becomes Effective, register the transfer to Gindalbie of all Sundance Shares and Sundance Options (other than for any Sundance Options which are required to be cancelled) held by Scheme Participants.

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## 7. Gindalbie Obligations

Gindalbie must execute all documents and do all acts and things necessary for the implementation of the Scheme, as expeditiously as practicable and in particular must:

- (a) **(Apply for Regulatory Approvals)**: as expeditiously as practicable, apply for all relevant Regulatory Approvals and take all steps it is responsible for in the approval process;
- (b) **(Assist preparation of Report)**: as expeditiously as practicable, provide all assistance and information reasonably requested by the independent expert in connection with the preparation of the Independent Expert's Report;
- (c) **(Supply information for Scheme Booklet)**: as expeditiously as practicable, supply to Sundance for inclusion in the Scheme Booklet such information regarding Gindalbie as is in Sundance's opinion reasonably required under all applicable law including all relevant ASIC policy statements and Takeovers Panel policy and guidance notes to be included in the Scheme Booklet, in reasonable time to allow Sundance to prepare the Scheme Booklet in accordance with this document;
- (d) **(Supply any further information required)**: as expeditiously as practicable, give to Sundance any further information reasonably required by Sundance before the Meeting Date to ensure that the Gindalbie Material is not misleading or deceptive and contains no material omissions. If Gindalbie becomes aware of information after the date of dispatch of the Scheme Booklet, which is material for disclosure to Sundance Shareholders and Sundance Optionholders in deciding whether to approve the Scheme, inform Sundance of the information in an appropriate and timely manner;
- (e) **(Deed Poll)**: before the First Court Date, enter into the Deed Poll;
- (f) **(Representation)**: ensure that, if requested by Sundance, Gindalbie is represented at Court hearings convened for the purpose of section 411(4)(b) of the Corporations Act, and through counsel, undertake, if requested by the Court, to do all things and take all steps within its power necessary to fulfil its obligations under this document;

- (g) **(Not act inconsistently)**: not act in a manner inconsistent with obtaining Court approval for the Scheme;
- (h) **(Procure reconstitution of Gindalbie Board)**: reconstitute Gindalbie's board as follows:

Mr George Jones (Chairman);  
Mr Garret Dixon;  
Mr Don Lewis; and  
additional directors, to be determined on the basis of skills and qualifications.
- (i) **(Sundance Options)**: as soon as practicable after the date of this document, make an offer to any Sundance Optionholders (for their Sundance Options that are required to be cancelled) to cancel those Sundance Options held by that person, such offers to be made conditional on:
  - (i) the Scheme becoming Effective; and
  - (ii) if required, the grant of the waiver referred to in clause 3.2(t).

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## **8. Access to Information**

### **8.1 Sundance to give access to information**

From the date of this document and up to and including the Implementation Date, Sundance must give Gindalbie reasonable access to its records, documentation (subject to any existing confidentiality obligations owed to third parties), premises and personnel, and reasonable co-operation for the purpose of:

- (a) understanding the financial and corporate position of Sundance including its existing and forecast cash flow and working capital position;
- (b) understanding the mineral resources and potential mineral resources of its mining and exploration areas, including documentation relating to the Mbalam and other mineral projects;
- (c) facilitating Implementation. This obligation does not require Sundance to provide information to Gindalbie concerning the consideration of the Scheme by Sundance directors and management;
- (d) Gindalbie understanding the operation of the Sundance Business in order to allow and facilitate the smooth implementation of the plans of Gindalbie for the Sundance Business following the Implementation Date; and
- (e) any other purpose which is agreed in writing between the parties.

### **8.2 Gindalbie to give access to information**

From the date of this document and up to and including the Implementation Date, Gindalbie must give Sundance reasonable access to its records, documentation (subject to any existing confidentiality obligations owed to third parties), premises and personnel, and reasonable co-operation for the purpose of:

- (a) understanding the financial and corporate position of Gindalbie including its existing and forecast cash flow and working capital position;

- (b) understanding the mineral resources and potential mineral resources of its mining and exploration areas, including documentation relating to the Karara Iron Ore Projects and other mineral projects;
- (c) facilitating Implementation. This obligation does not require Gindalbie to provide information to Sundance concerning the consideration of the Scheme by Gindalbie directors and management;
- (d) Sundance understanding the operation of the Gindalbie Business in order to allow and facilitate the smooth implementation of the Sundance Business into the Gindalbie Business following the Implementation Date; and
- (e) any other purpose which is agreed in writing between the parties.

### **8.3 Sundance and Gindalbie to give information on representations and warranties**

From the date of this document and up to and including the Implementation Date:

- (a) Sundance must promptly give to Gindalbie details of any matter or occurrence which might reasonably make any representations and warranties given by Sundance under this document inaccurate in a material respect; and
- (b) Gindalbie must promptly give to Sundance details of any matter or occurrence which might reasonably make any representations and warranties given by Gindalbie, under this document inaccurate in a material respect.

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## **9. Due diligence**

### **9.1 Gindalbie Due Diligence Investigations – Sundance Business and assets**

Sundance agrees that Gindalbie may conduct the Gindalbie Due Diligence Investigations in order to augment its technical, corporate and economic understanding of Sundance's Business and assets, and Sundance agrees to provide access to information reasonably required by Gindalbie in this regard which may comprise reasonable and customary enquiries, including management interviews and the review of management papers and documents, as may reasonably be expected to be undertaken in relation to those matters by a prudent acquirer of businesses of the type conducted by Sundance or companies similar to Sundance.

### **9.2 Sundance Due Diligence Investigations – Gindalbie Business and assets**

Gindalbie agrees that Sundance may conduct the Sundance Due Diligence Investigations in order to augment its technical, corporate and economic understanding of Gindalbie's Business and assets, and Gindalbie agrees to provide access to information reasonably required by Sundance in this regard which may comprise reasonable and customary enquiries, including management interviews and the review of management papers and documents, as may reasonably be expected to be undertaken in relation to those matters by a prudent acquirer of businesses of the type conducted by Gindalbie or companies similar to Gindalbie.

### **9.3 Availability of information**

Subject to clauses 9.1 and 9.2, Sundance and Gindalbie will, during the period of due diligence and in respect of any further enquiries made, make available promptly to the other party all information reasonably requested in order that Gindalbie or Sundance (as the case may be) can conduct the due diligence and those further enquiries and will provide access to the other party

and its advisors who reasonably require access to that information for the purposes of the due diligence and those further enquiries and the implementation of the Scheme.

#### **9.4 Interviews**

Subject to receipt of reasonable notice, a party will permit the other party to interview any of its directors, executive officers or external auditors or advisors during the Due Diligence Investigations.

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### **10. No solicitation**

#### **10.1 No solicitation**

Subject to this document and to the extent permitted by law, from the date of this document until the earlier of termination of this document, the date on which the Scheme is approved by the Court under section 411(4)(b) of the Corporations Act, or 6 months from the date of this document, each of Sundance and Gindalbie must ensure that it and its employees, officers and, to the extent it is reasonably able to influence them, its associates and its advisers:

- (a) do not, except with the prior written consent of the other party, directly or indirectly solicit or initiate any negotiations or discussions or communicate any intention to do any of these things with any person other than each other with respect to a Takeover Proposal for Sundance or a Takeover Proposal for Gindalbie (as the case may be); and
- (b) do not provide information to facilitate consideration by any person, other than each other, whether to submit a Takeover Proposal for Sundance or a Takeover Proposal for Gindalbie (as the case may be).

#### **10.2 Notification of Takeover Proposal**

Sundance must notify Gindalbie immediately if it receives or becomes aware of a Takeover Proposal for Sundance and Gindalbie must notify Sundance immediately if it receives or becomes aware of a Takeover Proposal for Gindalbie.

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### **11. Undertaking**

#### **11.1 Undertaking to reimburse fees, costs, losses and expenses**

Subject to this document and to the extent permitted by law, Sundance undertakes to Gindalbie that it will forthwith pay to Gindalbie a fee of \$15,000,000 as compensation for costs and expenses incurred by Gindalbie in relation to the Scheme and performing its obligations under this document if any of the following events occurs:

- (a) there has been a breach by Sundance of its obligations under clause 10;
- (b) any of the Sundance directors do not exercise any votes attached to any Sundance Shares and Sundance Options which he or she holds or controls in favour of the Scheme at the Scheme Meetings other than because of an opinion from the Independent Expert that the Scheme is not in the best interest of Sundance Shareholders and Sundance Optionholders;
- (c) a Third Party Proposal is announced and as a result of that Third Party Proposal:

- (i) a person other than Gindalbie acquires legally and beneficially more than 50% of the voting shares in Sundance; or
- (ii) the Third Party Proposal is otherwise consummated;
- (d) any of Sundance's independent directors fail to recommend the Scheme or withdraw, revise, revoke or qualify a recommendation previously made (whether or not that failure, withdrawal, revocation, qualification or revision is otherwise in breach of this document) other than because of an opinion from the Independent Expert that the Scheme is not in the best interests of Sundance Shareholders and Sundance Optionholders;
- (e) ASIC raises an objection to the Scheme as a result of a material non-compliance by Sundance with any of its obligations under this document which are not remedied by Sundance and that objection prevents the Scheme from proceeding;
- (f) the Court fails to approve the terms of the Scheme for which Sundance Shareholder Approval and Sundance Optionholder Approval have been obtained as a result of a material non-compliance by Sundance of its obligations under this document; or
- (g) the Effective Date has not occurred prior to the Sunset Date as a consequence of a material non-compliance by Sundance with any of its obligations under this document.

## 11.2 Compliance with law

If it is found that Sundance's undertakings under clause 11.1, or any payment made in accordance with those clauses, or all or any part of any such payment (the **Impugned Amount**):

- (a) is or was or would be unlawful;
- (b) involves or involved or would involve a breach of the duties of the directors of the company making the payment (**Payer**); or
- (c) constitutes, constituted or would constitute "Unacceptable Circumstances" as that term is defined in the Corporations Act,

then:

- (d) the undertaking shall not apply to the extent of the Impugned Amount;
- (e) the Payer shall have a good defence to any claim for the Impugned Amount; and

if the other party has been paid the Impugned Amount, the party must immediately refund the Impugned Amount to the Payer.

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## 12. Directors' duties

Clauses 10 and 11 do not impose obligations on either party to the extent that compliance with those clauses would involve a breach of fiduciary duties by directors of that party or not be in the best interests of Sundance Shareholders and Sundance Optionholders or be otherwise unlawful, provided that the party must give prior written notice to the other party before taking any action in respect of which it relies on this clause and must, to the extent permitted by law and as expeditiously as practicable, provide full particulars to the other party, and consult with the other party in good faith, with respect to the relevant action but nothing shall require the disclosing

party to disclose the identity of the third party that may be seeking information from the disclosing party.

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## 13. Announcement

### 13.1 No Announcement

Neither party may make an Announcement relating to the subject matter of this document or its termination or make public this document (or any of its terms) unless the Announcement or publication:

- (a) is required by this document;
- (b) has the prior approval of the other party, that approval not to be unreasonably withheld; or
- (c) is required to be made by any applicable law including under the Listing Rules.

### 13.2 Notice of Announcement

If a party proposes to make an Announcement, it must, to the extent practicable without that party breaching any applicable law, give to the other party:

- (a) such notice as is reasonable in the circumstances of its intention to make the Announcement; and
- (b) a draft of the Announcement and an opportunity, which is reasonable in the circumstances, to comment on the contents of the draft Announcement.

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## 14. Termination

### 14.1 When a party may terminate

Without limiting clause 3, this document may be terminated:

- (a) **(Before Relevant Date if Condition cannot be satisfied)**: by either party, if before the Relevant Date, if a Condition solely or jointly for its benefit cannot be satisfied by the time required in this document for it to be satisfied;
- (b) **(After Relevant Date if Condition has not been satisfied)**: by either party if, after the Relevant Date applicable to a Condition solely or jointly for its benefit, if that Condition has not been satisfied or waived at that time;
- (c) **(After Sunset Date)**: subject to clause 3.8, by either party if after the Sunset Date, if the Effective Date has not occurred by that date;
- (d) **(No recommendation)**: by Gindalbie, if the Sundance Board fails to recommend the Scheme or, having recommended the Scheme, adversely changes or withdraws its recommendation with respect to the Scheme;
- (e) **(Termination for breach)**: before the Second Court Date:
  - (i) by Gindalbie - if Sundance is in breach of this document (including a breach of a representation or warranty under clause 15 and that breach is material and is not remedied by Sundance within 5 Business Days (or such shorter period ending on the Second Court Date) of it receiving notice

from Gindalbie of the details of the breach and its intention to terminate;  
and

- (ii) by Sundance - if Gindalbie is in breach of this document (including a representation or warranty under clause 15 and that breach is material and is not remedied by the defaulting party within 5 Business Days (or such shorter period ending on the Second Court Date) of Gindalbie receiving notice from Sundance of the details of the breach and its intention to terminate,

by giving notice in writing to the other party.

## 14.2 Obligations on termination

- (a) If a party terminates this document, all obligations of the parties under this document, other than this clause, 13 (Announcements), 15 (Representations and Warranties), 16 (Indemnities), 17 (Release), 19 (GST), 20 (Notices), 21 (Amendment and Assignment) and 22 (General), immediately cease to be of further force or effect.
- (b) The termination of this document does not affect any Claim arising before this document is terminated, that a party may have against another party.

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## 15. Representations and warranties

### 15.1 Mutual representations and warranties

Each party represents and warrants to the other party that (subject to obtaining any relevant Regulatory Approvals):

- (a) **(Status)**: it is a company limited by shares under the Corporations Act;
- (b) **(Power)**: it has full legal capacity and power to:
  - (i) own its property and to carry on its business; and
  - (ii) enter into this document and subject to the satisfaction of the Conditions to carry out the transactions that this document contemplates;
- (c) **(Corporate authority)**: it has taken all corporate action that is necessary or desirable to authorise its entry into this document and subject to the satisfaction of the Conditions to carry out the transactions that this document contemplates;
- (d) **(Authorisations)**: it holds each Authorisation that is necessary or desirable to:
  - (i) enable it to properly execute this document and subject to the satisfaction of the Conditions to carry out the transactions that this document contemplates;
  - (ii) ensure that this document is legal, valid, binding and admissible in evidence; and
  - (iii) enable it to properly carry on its business,and it is complying with any conditions to which any Authorisation is subject;

- (e) **(Document effective)**: this document constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms;
- (f) **(No contravention)**: neither its execution of this document nor the carrying out by it of the transactions that it contemplates, does or will:
  - (i) contravene any law to which it or any of its property is subject or any order of any Government Agency that is binding on it or any of its property;
  - (ii) contravene any Authorisation;
  - (iii) contravene any undertaking or instrument binding on it or any of its property; or
  - (iv) contravene its constitution;
- (g) **(No litigation)**: otherwise than as disclosed in writing to each other prior to the date of this Agreement, no litigation, arbitration, mediation, conciliation or administrative proceedings are taking place, pending or to its knowledge, threatened which, if adversely decided, could have, for Gindalbie a Gindalbie Material Adverse Change and for Sundance a Sundance Material Adverse Change;
- (h) **(No Insolvency Event)**: it is not affected by an Insolvency Event; and
- (i) **(Not representative)**: it is not entering into this document in a representative capacity.

## 15.2 Sundance representations and warranties

Sundance represents and warrants to Gindalbie that:

- (a) **(No other approvals necessary)**: it is not aware of any consents, approvals or other acts by a Government Agency that are necessary to effect Implementation other than those identified in paragraphs 3.2(h) and 3.2(i);
- (b) **(Due Diligence Information not false or misleading)**: the Sundance Due Diligence Information will be, to Sundance's knowledge, true and accurate in all material respects as at the date at which it was provided to Gindalbie and subject to clause 9.1, Sundance will not knowingly or recklessly:
  - (i) omit to disclose information to Gindalbie, the disclosure of which might reasonably be expected to have resulted in Gindalbie not entering into this document, or entering into it on materially different terms;
  - (ii) omit anything from the Sundance Due Diligence Information such as to make any part of that information materially false or misleading;
  - (iii) include anything materially false or misleading in the Sundance Due Diligence Information; or
  - (iv) deny access to requested information with the intention of misleading Gindalbie;
- (c) **(Scheme Booklet not false or misleading)**: to Sundance's knowledge, as at the date of dispatch of the Scheme Booklet, the Scheme Booklet (other than the Gindalbie

Material) will not contain any material statement which is false or misleading (including because of any material omission);

- (d) **(Obligations regarding securities)**: otherwise than as disclosed in writing to Gindalbie prior to the date of this Agreement, it is not subject to any actual or contingent obligation to issue or convert securities except as required or contemplated by this document or in accordance with the terms of any existing option or convertible security which is on issue as at the date of this document;
- (e) **(Complied with applicable law)**: other than as fairly disclosed in the Sundance Disclosure Material Sundance complied with all applicable laws to the extent that any instance of non-compliance:
  - (i) individually or in aggregate, could not reasonably be expected to have a Sundance Material Adverse Change; or
  - (ii) does not involve a breach of Sundance's continuous disclosure obligations under the Listing Rules;
- (f) **(Material correspondence to be promptly disclosed)**: all material correspondence between Sundance and any Government Agency received following execution of this document until the Effective Date will be promptly disclosed in writing to Gindalbie;
- (g) **(No default)**: other than as fairly disclosed in the Sundance Disclosure Material Sundance is not in default under any document or agreement binding on it or its assets and nothing has occurred which is or would, with the giving of notice or lapse of time or both, constitute an event of default, prepayment event or similar event under any such document or agreement, which individually or in aggregate could reasonably be expected to have a Sundance Material Adverse Change; and
- (h) **(Schedule accurately details Sundance capital)**: Schedule 2 accurately records the total number and details of Sundance Shares, securities convertible into Sundance Shares, Sundance Options, notes or other securities issued by Sundance at the date of this document and, other than as disclosed in writing to Gindalbie at the Cut-off Date, Sundance is not under any actual or contingent obligation to issue, convert or cancel any securities.

### 15.3 Gindalbie representations and warranties

Gindalbie represents and warrants to Sundance that:

- (a) **(Gindalbie Material not false or misleading)**: the Gindalbie Material to Gindalbie's knowledge as at the date of dispatch of the Scheme Booklet will not contain any material statement which is false or misleading (including because of any material omission);
- (b) **(No other approvals necessary)**: it is not aware of any consents, approvals or other acts by a Government Agency that are necessary to effect Implementation other than those identified in paragraphs, (i) and (j) in clause 3.2;
- (c) **(Due Diligence Information not false or misleading)**: the Gindalbie Due Diligence Information will be, to Gindalbie's knowledge, true and accurate in all material respects as at the date at which it was provided to Sundance and, subject to clause 9.2, Gindalbie will not knowingly or recklessly:

- (i) omit to disclose information to Sundance, the disclosure of which might reasonably be expected to have resulted in Sundance not entering into this document, or entering into it on materially different terms;
  - (ii) omit anything from the Gindalbie Due Diligence Information such as to make any part of that information materially false or misleading;
  - (iii) include anything materially false or misleading in the Gindalbie Due Diligence Information; or
  - (iv) deny access to requested information with the intention of misleading Sundance;
- (d) **(Obligations regarding securities):** it is not subject to any actual or contingent obligation to issue or convert securities except as required or contemplated by this document or in accordance with the terms of any existing option or convertible security which is on issue as at the date of this document;
- (e) **(Complied with applicable law):** other than as fairly disclosed in the Gindalbie Disclosure Material Gindalbie complied with all applicable laws to the extent that any instance of non-compliance:
- (i) individually or in aggregate, could not reasonably be expected to have an Gindalbie Material Adverse Change; or
  - (ii) does not involve a breach of Gindalbie's continuous disclosure obligations under the Listing Rules;
- (f) **(Material correspondence to be promptly disclosed):** all material correspondence between Gindalbie and any Government Agency received following execution of this document until the Effective Date will be promptly disclosed in writing to Sundance;
- (g) **(No default):** other than as fairly disclosed in the Gindalbie Disclosure Material Gindalbie is not in default under any document or agreement binding on it or its assets and nothing has occurred which is or would, with the giving of notice or lapse of time or both, constitute an event of default, prepayment event or similar event under any such document or agreement, which individually or in aggregate could reasonably be expected to have a Gindalbie Material Adverse Change; and
- (h) **(Schedule accurately details Gindalbie capital):** Schedule 3 accurately records the total number and details of Gindalbie Shares, securities convertible into Gindalbie Shares, Gindalbie Options, notes or other securities issued by Gindalbie at the date of this document and other than as disclosed in writing to Sundance at the Cut-off Date, Gindalbie is not under any actual or contingent obligation to issue, convert or cancel any securities.

#### **15.4 Reliance on representations and warranties**

Each party acknowledges that the other party has executed this document and agreed to take part in the transactions that this document contemplates in reliance on the representations and warranties that are made in clause 15.1.

#### **15.5 When warranties are given**

Each representation and warranty given or made under clauses 15.1, 15.2 and 15.3 is given:

- (a) as at the date of this document other than under clauses 15.2(b) and (c) and 15.3(a) and (c); and
- (b) as at 8.00 am on the Second Court Date; and
- (c) at any other date at which the representation or warranty is expressed to be given.

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## **16. Indemnities**

### **16.1 Indemnities by Sundance**

Sundance indemnifies Gindalbie, its directors, officers and employees against any Loss or Claim arising from or in connection with a breach of the representation and warranty in clauses 15.1 and 15.2

### **16.2 Indemnities by Gindalbie**

Gindalbie indemnifies Sundance, its directors, officers and employees against any Loss or Claim arising from or in connection with a breach of the representation and warranty in clauses 15.1 and 15.3.

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## **17. Release**

- (a) **(Officers not liable):** Subject to section 199A of the Corporations Act and clause 17(b) of this Agreement, no officer or employee of a party is liable for anything done or purported to be done in connection with Implementation.
- (b) **(Except wilful misconduct):** Clause 17(a) does not exclude an officer or employee from any liability which may arise from wilful misconduct or a grossly negligent act or omission on the part of the person.
- (c) **(Benefit held for officers and employees):** Each party receives and holds the benefit of this release, to the extent that it relates to its officers and employees as agent for them.

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## **18. Preparation for conduct of business after Implementation Date**

### **18.1 Assist with integration**

The parties must work together in good faith to facilitate the efficient implementation of Gindalbie's plans for the Sundance Business following the Implementation Date, subject to compliance with their respective obligations, powers and duties under this document, their constituent documents and all applicable law and the proper performance by the Sundance directors of their fiduciary duties.

### **18.2 Integration committee**

As soon as practicable after the date of this Agreement, the parties must constitute a committee.

### **18.3 Role of integration committee**

The role of the committee established under clause 18.2 is to act as a forum for consideration and planning between the parties in relation to the conduct of the business of the parties after the Implementation Date.

## **18.4 Access for purpose of integration**

Sundance and Gindalbie must provide to the committee established under clause 18.2 and its representatives reasonable access to such offices, documents and other information which the committee reasonably requires for the purpose of preparing for carrying on the business of the parties after the Implementation Date, on the basis that such access does not place an unreasonable burden on either Gindalbie's or Sundance's ability to operate their respective businesses.

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## **19. GST**

### **19.1 GST payable in addition to consideration for taxable supplies**

A recipient of a taxable supply made under or in connection with this document must:

- (a) pay to the supplier, in addition to the consideration for the taxable supply, an amount equal to any GST paid or payable by the supplier in respect of the taxable supply, without deduction or set-off of any other amount; and
- (b) make the payment either when the consideration for the taxable supply is payable, or upon demand.

### **19.2 Tax Invoice**

The supplier must issue a tax invoice to the recipient for any supply for which the supplier may recover GST from the recipient under or in connection with this document.

### **19.3 Consideration exclusive of GST**

Any consideration or payment obligation in this document is exclusive of GST unless stated otherwise.

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## **20. Notices**

### **20.1 How to give a notice**

A notice, consent or other communication under this document is only effective if it is:

- (a) in writing, signed by or on behalf of the person giving it;
- (b) addressed to the person to whom it is to be given; and
- (c) either:
  - (i) delivered or sent by pre-paid mail (by airmail, if the addressee is overseas) to that person's address; or
  - (ii) sent by fax to that person's fax number and the machine from which it is sent produces a report that states that it was sent in full.

### **20.2 When a notice is given**

A notice, consent or other communication that complies with this clause is regarded as given and received:

- (a) if it is delivered or sent by fax:

- (i) by 5.00 pm (local time in the place of receipt) on a Business Day - on that day; or
  - (ii) after 5.00 pm (local time in the place of receipt) on a Business Day, or on a day that is not a Business Day - on the next Business Day; and
- (b) if it is sent by mail:
  - (i) within Australia - 3 Business Days after posting; or
  - (ii) to or from a place outside Australia - 7 Business Days after posting.

### **20.3 Address for notices**

A person's address and fax number are those set out below, or as the person notifies the sender:

#### **Gindalbie**

Address: Level 9, London House  
216 St Georges Terrace  
Perth WA 6000

Fax number: +61 8 9480 8799

Attention: Company Secretary

#### **Sundance**

Address: Level 34, Exchange Plaza  
2 The Esplanade  
Perth WA 6000

Fax number: +61 8 9220 2311

Attention: Company Secretary

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## **21. Amendment and Assignment**

### **21.1 Amendment**

This document can only be amended, supplemented, replaced or novated by another document signed by the parties.

### **21.2 Assignment**

A party may only dispose of, declare a trust over or otherwise create an interest in its rights under this document with the prior consent of each other party.

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## **22. General**

### **22.1 Governing law**

- (a) This document is governed by the law in force in Western Australia.

- (b) Each party submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Western Australia, and any court that may hear appeals from any of those courts, for any proceedings in connection with this document, and waives any right it might have to claim that those courts are an inconvenient forum.

## **22.2 Liability for expenses**

- (a) Gindalbie and Sundance must each pay half of all stamp duty payable on this document or any instrument or transaction contemplated in or necessary to give effect to this document.
- (b) Subject to clause 15, each party must pay its own expenses incurred in negotiating, preparing, executing and registering this document.

## **22.3 Giving effect to this document**

- (a) Subject to clause 22.3(b) each party must do anything within its power (including execute any document and sign, pass, or vote in favour, of all resolutions (including conditional resolutions) necessary), and must use its best endeavours to procure that each of its employees and agents and each director it nominated to the board of a company (subject to the fiduciary obligations owed by that director to the relevant company) does anything (including execute any document and sign, pass or vote in favour of all resolutions (including conditional resolutions) necessary) that any other party may reasonably require to give full effect to this document.
- (b) The requirement in clause 22.3(a) to use best endeavours does not require a party to pay any money, other than nominal amounts.

## **22.4 Waiver of rights**

A right may only be waived in writing, signed by the party giving the waiver, and:

- (a) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;
- (b) a waiver of a right on one or more occasions does not operate as a waiver of that right if it arises again; and
- (c) the exercise of a right does not prevent any further exercise of that right or of any other right.

## **22.5 No partnership or agency**

Nothing in this document is to be treated as creating a partnership and, except as specifically provided in this document, no party may act as agent of or in any way bind another party to any obligation.

## **22.6 Operation of this document**

- (a) This document contains the entire agreement between the parties about its subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this document and has no further effect.
- (b) Any right that a person may have under this document is in addition to, and does not replace or limit, any other right that the person may have.

- (c) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document enforceable, unless this would materially change the intended effect of this document.

## **22.7 Operation of indemnities**

- (a) Each indemnity in this document survives the expiry or termination of this document.
- (b) A party may recover a payment under an indemnity in this document before it makes the payment in respect of which the indemnity is given.

## **22.8 Consents**

Where this document contemplates that a party may agree or consent to something (however it is described), the party may:

- (a) agree or consent, or not agree or consent, in its sole and absolute discretion; and
- (b) agree or consent subject to conditions,

unless this document expressly contemplates otherwise.

## **22.9 No merger**

No provisions of this document merge on Implementation.

## **22.10 Inconsistency with other documents**

If this document is inconsistent with any other document or agreement between the parties, this document prevails to the extent of the inconsistency.

## **22.11 Counterparts**

This document may be executed in counterparts, including by facsimile.

## **22.12 Attorneys**

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

**Schedule 1  
Deed Poll**

**Deed Poll**

**Gindalbie Metals Limited**  
ABN 24 060 857 614

The Clayton Utz contacts for this document are  
**Mark Paganin and Matthew Johnson on + 61 8 9426 8000**

Clayton Utz  
Lawyers  
QV.1 250 St George's Terrace Perth WA 6000 Australia  
GPO Box P1214 Perth WA 6844  
T + 61 8 9426 8000 F + 61 8 9481 3095

**[www.claytonutz.com](http://www.claytonutz.com)**

Our reference 60018/15133/80065802

This Deed Poll is made at

on

2007

**Parties**

**Gindalbie Metals Limited ABN 24 060 857 614** of Level 9, 216 St Georges Terrace, Perth, Western Australia

("Gindalbie") in favour of:

**each Scheme Participant as defined in the Merger Implementation Agreement**

**Recitals**

- A. Gindalbie and Sundance have entered into a merger implementation agreement for the implementation of the Scheme on 24 September 2007 ("**Merger Implementation Agreement**").
- B. Pursuant to the Merger Implementation Agreement, Sundance has agreed to propose a restructure of Sundance by way of the Scheme under Part 5.1 of the Corporations Act, the effect of which will be to make Sundance a wholly owned subsidiary of Gindalbie.
- C. Gindalbie has agreed to do all things and execute all deeds, agreements and other documents which may be necessary or expedient on its part to implement the Scheme including, without limitation, but subject to the satisfaction of the conditions precedent referred to in clause 3.2 of the Merger Implementation Agreement.
- D. Gindalbie is entering into this Deed Poll for the purpose of covenanting in favour of the Scheme Participants to perform its obligations under the Merger Implementation Agreement.

**The parties agree**

---

**1. Definitions and interpretations**

**1.1 Definitions**

Terms defined in the Merger Implementation Agreement have the same meaning when used in this Deed Poll.

**1.2 Interpretation**

In this Deed Poll:

- (a) headings are for convenience only and do not affect interpretation;  
and unless the context indicates a contrary intention:
- (b) an obligation or liability assumed by, or a right conferred on, 2 or more parties binds or benefits all of them jointly and each of them severally;
- (c) the expression "**person**" includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (d) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
- (e) a reference to any document (including this Deed Poll) is to that document as

varied, novated, ratified or replaced from time to time;

- (f) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
- (g) words importing the singular include the plural (and vice versa), and words indicating a gender include every other gender;
- (h) references to parties, clauses, schedules, exhibits or annexures are references to parties, clauses, schedules, exhibits and annexures to or of this Deed Poll, and a reference to this Deed Poll includes any schedule, exhibit or annexure to this Deed Poll;
- (i) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (j) the word "**includes**" in any form is not a word of limitation;
- (k) a reference to "**\$**" or "**dollar**" is to Australian currency;
- (l) references to payments to any party to this Deed Poll will be construed to include payments to another person upon the direction of such party;
- (m) all payments to be made under this Deed Poll must be made by unendorsed bank cheque or other immediately available funds;
- (n) if any day appointed or specified by this Deed Poll for the payment of any money or doing of any thing falls on a day which is not a Business Day, the day so appointed or specified shall be deemed to be the next Business Day; and
- (o) terms defined in the Corporations Act shall bear the defined meaning where used in this Deed Poll.

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## **2. Nature of Deed Poll**

Gindalbie acknowledges that this Deed Poll may be relied on and enforced by any Scheme Participant in accordance with its terms even though the Scheme Participants are not party to it.

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## **3. Conditions precedent**

### **3.1 Conditional obligations**

Gindalbie's obligations under clause 5 are subject to satisfaction of each condition precedent in clause 3.2 of the Merger Implementation Agreement.

### **3.2 Deadline for satisfaction**

If the conditions precedent in clause 3.2 of the Merger Implementation Agreement are not satisfied on or before the Relevant Date, or the Effective Date has not occurred by the Sunset Date, the obligations of Gindalbie under this Deed Poll do not commence and this Deed Poll will automatically terminate unless Gindalbie and Sundance otherwise agree.

### **3.3 Release upon termination**

If this Deed Poll is terminated under this clause 3 then, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) Gindalbie is released from its obligations to further perform this Deed except those obligations contained in clause 8 and any other obligations which by their nature survive termination; and
- (b) Scheme Participants retain the rights they have against Gindalbie in respect of any breach which occurred before this Deed Poll is terminated.

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## **4. Scheme obligations**

Gindalbie will comply with its obligations under the Merger Implementation Agreement and do all things necessary or expedient on its part to implement the Scheme.

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## **5. Payment of Scheme Consideration**

Without limiting the generality of clause 4, but subject to clause 3, in consideration of the transfer of all of the Sundance Shares and Sundance Options (other than any Sundance Options that are required to be cancelled) on issue as at the Record Date held by the Sundance Shareholders and Sundance Optionholders to Gindalbie, Gindalbie will provide the Scheme Consideration to the Scheme Participants in accordance with clause 2.2 of the Merger Implementation Agreement.

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## **6. Warranties**

Gindalbie represents and warrants that:

- (a) it is a corporation validly existing under the laws of its place of incorporation;
- (b) it has the corporate power to enter into and perform its obligations under this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (c) it has taken all necessary corporate action to authorise its entry into this Deed Poll and has taken or will take all necessary corporate action to authorise the performance of this Deed Poll and to carry out the transactions contemplated by this Deed Poll; and
- (d) this Deed Poll is valid and binding upon it.

---

## **7. Continuing obligations**

This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until Gindalbie has completely performed its obligations under this Deed Poll or the earlier termination of this Deed Poll under clause 3.

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## **8. Stamp duty**

Gindalbie must pay all stamp duty imposed on this Deed Poll and on any instrument or other document executed to give effect to this Deed Poll.

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## 9. General

### 9.1 Cumulative rights

The rights, powers and remedies of Gindalbie and the Scheme Participants under this Deed Poll are cumulative with the rights, powers or remedies provided by law independently of this Deed Poll.

### 9.2 Further acts and documents

Gindalbie must promptly do all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to Sundance) required by law or reasonably requested by Sundance to give effect to this Deed Poll.

### 9.3 Waiver and variation

- (a) A provision or a right under this Deed Poll may not be waived except in writing signed by the person granting the waiver.
- (b) A provision of this Deed Poll may not be varied unless the variation is agreed to by Sundance in which event Gindalbie will enter into a further Deed Poll in favour of the Scheme Participants giving effect to such amendment.

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## 10. Governing law and jurisdiction

This Deed Poll is governed by the laws of Western Australia. Gindalbie irrevocably submits to the non-exclusive jurisdiction of the Courts of Western Australia.

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## 11. Assignment

The rights and obligations of a person under this Deed Poll are personal. They cannot be assigned, charged or otherwise dealt with, and no person shall attempt or purport to do so.

**Executed** as a deed poll

**Executed by Gindalbie Metals Limited  
ABN 24 060 857 614** in accordance with  
section 127 of the Corporations Act by or in  
the presence of:

---

(Signature of Secretary/other Director)

---

(Name of Secretary/other Director in full)

---

(Signature of Director or Sole Director and Secretary)

---

(Name of Director or Sole Director and Secretary in full)

**Schedule 2**  
**Sundance's Capital**

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**1. Shares**

Sundance has 1,846,081,908 fully paid ordinary shares on issue.

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**2. Options**

Sundance has on issue the following options to subscribe for fully paid shares:

<b>Option Class</b>	<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Balance</b>
Tranche A	4/01/2012	0.10	30,000,000
Tranche B	3/01/2012	0.20	50,000,000
CFO	4/01/2012	0.15	2,000,000
Employee	4/01/2012	0.10	2,000,000
Placement 1	31/05/2010	0.02	4,000,000
Placement 2	30/06/2008	0.03	32,833,334
		<b>Total</b>	<b>120,833,334</b>

**Schedule 3  
Gindalbie's Capital**

**1. Shares**

Gindalbie has 511,328,850 fully paid ordinary shares on issue.

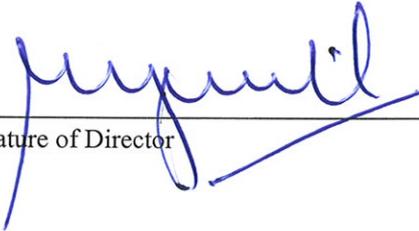
**2. Options**

Gindalbie has on issue the following options to subscribe for fully paid shares:

<b>Option Class</b>	<b>Vesting Date</b>	<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Balance</b>
Employee	Vested	30 April 2008	15 cents	250,000
	Vested	30 September 2008	20 cents	200,000
	Vested	30 September 2008	22 cents	100,000
	Vested	31 December 2008	34 cents	50,000
	Vested	30 September 2010	12 cents	1,150,000
	Vested	30 September 2010	16 cents	1,150,000
	Vested	30 September 2010	55 cents	550,000
	Vested	30 September 2010	65 cents	150,000
	31 March 2008	30 September 2010	25 cents	4,100,000
	31 December 2008	30 September 2010	35 cents	1,000,000
	1 February 2008	30 September 2010	63 cents	200,000
	31 March 2008	30 September 2010	55 cents	550,000
	30 June 2008	30 September 2010	65 cents	150,000
	31 Mar 2009	30 September 2010	55 cents	500,000
			<b>Total</b>	<b>10,100,000</b>

**Executed** as an agreement.

**Executed by Gindalbie Metals Limited  
ABN 24 060 857 614** by or in the presence  
of:

  
\_\_\_\_\_  
Signature of Director

MICHAEL JOHN O'NEILL  
Name of Director in full

  
\_\_\_\_\_  
Signature of Secretary/other Director

GARRET JOHN DIXON  
Name of Secretary/other Director in full

**Executed by Sundance Resources  
Limited ABN 19 055 719 394** by or in the  
presence of:

  
\_\_\_\_\_  
Signature of Director

DONALD PATRICK CELUIS  
Name of Director in full

  
\_\_\_\_\_  
Signature of Secretary/other Director

AVEL CHRISTOPHER PISMIRIS  
Name of Secretary/other Director in full